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RUEHLO/AMEMBASSY LONDON PRIORITY 0197
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 6809
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0315
RUEHKO/AMEMBASSY TOKYO PRIORITY 8479
RUEHGZ/AMCONSUL GUANGZHOU PRIORITY 9988
RUEHHK/AMCONSUL HONG KONG PRIORITY 7581
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0419
RUEHGH/AMCONSUL SHANGHAI PRIORITY 0811
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC PRIORITY
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STATE FOR EAP/TC AND ISN/MTR

E.O. 12958: DECL: 02/08/2027

TAGS: [ETTC](#) [PARM](#) [KNNP](#) [NK](#) [TW](#)

SUBJECT: MTAG: TAIWAN EXCON ENFORCEMENT

REF: STATE 14411

Classified By: AIT Acting Econ Chief Tim Neely, 1.4 B/C

¶1. (S) Summary: AIT Econ delivered reftel recommendations to Bureau of Foreign Trade (BOFT) export control task force head Wally Su (Shi-hwa) on February 6. During the meeting, Su mentioned that in the past six months, BOFT has sent 11 cases of possible export control violations to Justice officials for further investigation. BOFT plans additional industry outreach events and a press release on companies penalized for export control violations. End summary.

¶2. (S) In response to reftel export license recommendations, Su noted that the recommendation to deny a license on case WA070102171258018 was not surprising since the exporter was She Hong, the source of several suspected export control violations. Su also noted that there has been no recommendation yet on case WA070102155314007, which BOFT submitted to AIT on January 3.

¶3. (S) During the meeting, BOFT's Su mentioned that over the past six months, Taiwan Customs had stopped 11 separate shipments of items on the Sensitive Commodities List (SCL) bound for Iran or North Korea because the shipments lacked an export license. Su explained that BOFT had done a preliminary investigation of these 11 cases, and then forwarded them to the Ministry of Justice Investigation Bureau (MJIB) for further investigation and legal action. Su said that some of the companies involved had complained that they were unaware of the need for export licenses for sales to Iran or North Korea, or they argued that no violation had been committed since the items had been stopped before they were exported.

¶4. (S) To address the claim that in spite of public announcements and outreach seminars some companies did not know of the expanded SCL list, Su had his staff send a letter on December 19 to all 599 Taiwan companies that have exported to either Iran or North Korea in the past three years to inform them of the new requirement for export licenses. AIT discussed with Su at length various tactics for encouraging companies to strictly comply with export control regulations,

what violations had taken place even when the item was not exported, and intent and cooperation as factors in assessing penalties. Su agreed with AIT that tough action should to be taken against violators to set an example for other companies. Su said that he was in the process of drafting a press release about the 11 cases to serve as a warning to other companies. He also said that BOFT was planning to hold 3 or 4 additional industry outreach events in the near future to reiterate the importance export control compliance.

YOUNG